

FILED

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CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF OHIO
CLEVELAND

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

LONNIE WHITE,
LISA OGLETREE,

Defendants.

) INDICTMENT

) **1 : 23 CR 00356**

) CASE NO. _____

) Title 18, United States Code,
) Sections 844(m), 1349, and
) 1956(h)

) **JUDGE LIOI**

GENERAL ALLEGATIONS

At all times relevant to this Indictment, unless otherwise specified:

1. Defendants LONNIE WHITE and LISA OGLETREE resided in the Northern District of Ohio, Eastern Division.
2. A house and property located on Coit Road, Cleveland, Ohio (the "Coit Road House") was located in the Northern District of Ohio, Eastern Division.
3. A house and property located on Nelamere Road, Cleveland, Ohio (the "Nelamere Road House") was located in the Northern District of Ohio, Eastern Division.
4. Company-1 was an insurance company headquartered in Bloomington, Illinois, that did business throughout the United States, including Ohio, and that offered insurance to homeowners and renters.
5. Company-2 was an insurance company headquartered in Boston, Massachusetts, that did business throughout the United States, including Ohio, and that offered insurance to homeowners and renters.

6. Company-3 was an insurance company headquartered in Columbus, Ohio, that did business throughout the United States, including Ohio, and that offered insurance to homeowners and renters.

7. Defendant LONNIE WHITE held an account at Financial Institution-1 ending in x732, the deposits of which were insured by National Credit Union Administration. Financial Institution-1 was a financial institution engaged in activities affecting interstate commerce.

COUNT 1

(Conspiracy to Commit Mail and Wire Fraud, 18 U.S.C. § 1349)

The Grand Jury charges:

8. Paragraphs 1 through 7 of this Indictment are realleged and incorporated by reference as if fully set forth herein.

The Conspiracy and Scheme to Defraud

9. From on or about April 1, 2013, through on or about March 20, 2019, in the Northern District of Ohio, Eastern Division, and elsewhere, Defendants LONNIE WHITE and LISA OGLETREE, and others known and unknown to the Grand Jury, did knowingly and intentionally combine, conspire, confederate and agree together and with each other to commit federal fraud offenses, that is, to knowingly, and with the intent to defraud, devise, and intend to devise, a scheme and artifice to defraud Company-1, Company-2, and Company-3, and to obtain money and property from Company-1, Company-2, and Company-3, by means of materially false and fraudulent pretenses, representations, and promises, knowing that the pretenses, representations, and promises were false and fraudulent when made, and, for the purpose of executing the scheme and artifice, do the following:

a. knowingly cause any matter and thing to be delivered by the United States Postal Service, and private and commercial interstate carriers, in accordance with the directions thereon, in violation of Title 18, United States Code, Section 1341 (Mail Fraud); and

b. knowingly transmit and cause to be transmitted, by means of wire communication in interstate commerce, writings, signs, signals, pictures, and sounds, in violation of Title 18, United States Code, Section 1343 (Wire Fraud).

Objects of the Scheme and Conspiracy

10. The objects of the scheme and conspiracy included, but were not limited to, the following: for Defendants and their co-conspirators to unlawfully enrich themselves by: (a) purchasing rental house and other properties in the Northern District of Ohio Eastern Division, such as the Coit Road House and Nelamere Road House, (b) obtaining insurance coverage for, among other things, catastrophic fire damage to the house and personal property inside, (c) damaging and destroying by fire, and causing to be damaged and destroyed by fire the properties; (d) submitting, and causing to be submitted, false and fraudulent claims for payment and false and fraudulent statements of material fact, and representations concealing material facts, to insurers and other victims in order to receive and inflate insurance payments, and (e) diverting fraud proceeds for Defendants' and their co-conspirators' use and the use and benefit of others, and to further the conspiracy.

Manner and Means of the Scheme and Conspiracy

11. It was part of the conspiracy and scheme to defraud that:

a. Principals WHITE and OGLETREE would obtain rights in a house, which they would transfer to the co-conspirator nominal owner ("Nominal Owner")—such as Co-conspirator-1 for the Coit Road House or Co-conspirator-2 for the Nelamere Road House—for

the purposes of obtaining insurance and representing that the Nominal Owner had control over the property.

b. WHITE, OGLETREE, and their co-conspirators would recruit additional participants to act as lessees and renters on the property (“Nominal Renter”)—such as Co-conspirator-3 and Co-conspirator-4 for the Nelamere Road House—for the purposes of representing, falsely, to insurance companies that the property was occupied and therefore could be insured in accordance with the companies’ policies, using a fictitious lease agreement to obtain insurance.

c. At the direction and with the assistance of WHITE and OGLETREE, the Nominal Owner would obtain insurance on the property, which would include insurance coverage for catastrophic loss as a result of fire damage. The insurance applications would include false documents regarding the true ownership of the house.

d. Nominal Renters would, at the direction and with the assistance of WHITE and OGLETREE, obtain lessee insurance that would include coverage for catastrophic loss due to fire damage. These insurance applications would also include false documents regarding the true ownership of the house and who occupied the house. A conspirator would stage the house, sometimes by purchasing household items, to represent, falsely, that the house was occupied by one or more Nominal Renters.

e. After transferring the property rights to the Nominal Owner, WHITE and his co-conspirators would later arrange for the house to be set on fire. The fire would be staged to appear accidental so that the Nominal Owner could file a claim with the insurance company to obtain proceeds from the coverage policy.

f. After the fire caused damage to the house, the Nominal Owner and Nominal Renters, with the assistance and guidance of WHITE and OGLETREE, would submit loss claims to the insurance company, such as Company-1 for each Nominal Owner of the Coit Road House and Nelamere Road House, causing the insurance company to make payments to the Nominal Owner and Nominal Renters, including by sending checks through the U.S. Postal Service. The submission would include false representations regarding the value of items in the house and misrepresent the actual loss to the Nominal Owner and Nominal Renters.

g. The Nominal Owner, upon learning that an insurance company distributed proceeds to the Nominal Owner for the fire at the property, would obtain the proceeds and pay other members of the conspiracy, including WHITE and OGLETREE.

Acts in Furtherance of the Conspiracy

12. In furtherance of the conspiracy, and to effect the objects and conceal the existence thereof, Defendants and their co-conspirators performed acts in the Northern District of Ohio, Eastern Division, and elsewhere, including, but not limited to, the following:

13. On or about each of the dates set forth below, the following Defendants caused the following insurance payment checks to be issued and mailed by Company-1 to the following co-conspirators in or around Cleveland, Ohio:

On or About the Date of Act	House	Description of Mailed Matter	Involved Parties
October 9, 2017	COIT Road House	Check payable to Co-conspirator-1 for \$134,828.68	LONNIE WHITE and Co-conspirator-1
October 17, 2017	NELAMERE Road House	Check payable to Co-conspirator-2 for \$148,557.02	LONNIE WHITE and Co-conspirator-2
October 26, 2017	COIT Road House	Check payable to Co-conspirator-1 for \$6,833.38	LONNIE WHITE and Co-conspirator-1
October 26, 2017	NELAMERE Road House	Check payable to Co-conspirator-4 for \$10,264.28	LONNIE WHITE and Co-conspirator-4
November 6, 2017	NELAMERE Road House	Check payable to Co-conspirator-2 for \$6,250	LONNIE WHITE and Co-conspirator-2
November 10, 2017	NELAMERE Road House	Check payable to Co-conspirator-3 for \$7,164.35	LONNIE WHITE and Co-conspirator-3
December 13, 2017	NELAMERE Road House	Check payable to Co-conspirator-4 for \$27,022.93	LONNIE WHITE and Co-conspirator-4

14. Defendants LONNIE WHITE and LISA OGLETREE, and other persons, both known and unknown to the Grand Jury, continued their conspiracy by purchasing or otherwise arranging ownership interest transfers to Nominal Owners in other houses that they would later light on fire and collect insurance claim proceeds, including the following:

On or About the Date of Act	Location of House	Act in Furtherance	Defendant's Role on Date of Fire	Insurer
April 4, 2013	Huntmere Ave., Cleveland, Ohio	WHITE arranged transfer of property from previous owner.	Owner (October 15, 2013)	Company-1
March 17, 2016	Selwyn Rd., Cleveland Heights, Ohio	OGLETREE arranged transfer of property from previous owner.	Owner (September 26, 2016)	Company-1

March 10, 2017	Huntmere Ave., Cleveland, Ohio	WHITE transferred property ownership to Nominal Owner.	Previous Owner (January 24, 2018)	Company-2
May 8, 2017	E. 188 th St., Cleveland, Ohio	WHITE arranged transfer of property from previous owner.	Previous Owner (February 6, 2018)	Company-1

15. Defendants LONNIE WHITE and LISA OGLETREE, and other persons, both known and unknown to the Grand Jury, continued their conspiracy by, after a fire in a house that WHITE owned on Sanford Ave., Cleveland, Ohio, depositing and causing to be deposited the following insurance payment checks into WHITE's account with Financial-Institution-1:

On or About the Date of Act	Description of Transaction
January 16, 2019	Check for \$122,934.95 from Company-3 for partial payment of insurance claim related to December 17, 2018, fire.
January 17, 2019	Two checks totaling \$15,387 from Company-3 for partial payment of insurance claim related to December 17, 2018, fire.
March 20, 2019	Check for \$600 from Company-3 for partial payment of insurance claim related to December 17, 2018, fire.

All in violation of Title 18, United States Code, Section 1349.

COUNT 2

(Conspiracy to Commit Money Laundering Offenses, 18 U.S.C. § 1956(h))

The Grand Jury further charges:

16. Paragraphs 1 through 7 and 9 through 15 of this Indictment are realleged and incorporated by reference as if fully set forth herein.

17. From on or about April 1, 2013, through on or about March 20, 2019, in the Northern District of Ohio, Eastern Division, and elsewhere, Defendants LONNIE WHITE, LISA OGLETREE, Co-conspirator 1, Co-conspirator-2, Co-conspirator-3, Co-conspirator-4, and

others known and unknown to the Grand Jury, did knowingly combine, conspire, and agree with others known and unknown to the Grand Jury, to commit offenses against the United States in violation of Title 18, United States Code, Section 1956 and 1957, to wit: (1) to knowingly conduct and attempt to conduct financial transactions affecting interstate commerce, that is, by withdrawing U.S. currency funds from financial institutions engaged in, and the activities of which affected, interstate commerce, and by transferring funds by wire and otherwise to other co-conspirators through such financial institutions, which transactions involved the proceeds of a specified unlawful activity, that is, Conspiracy to Commit Mail and Wire Fraud (in violation of 18 U.S.C. § 1349), Mail Fraud (in violation of 18 U.S.C. § 1341), Wire Fraud (in violation of 18 U.S.C. § 1343), and Destroying or Damaging Property Used in Interstate Commerce (in violation of 18 U.S.C. § 844(i)) (collectively, the “Underlying Crimes”), knowing that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, and knowing that the transactions were designed in whole and in part to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i); and (2) to knowingly engage and attempt to engage, in monetary transactions by, through or to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than \$10,000, that is the deposit, withdrawal, transfer and exchange of U.S. currency funds, and monetary instruments, such property having been derived from a specified unlawful activity, that is, the Underlying Crimes, in violation of Title 18, United States Code, Section 1957(a).

All in violation of Title 18, United States Code, Section 1956(h).

COUNT 3

(Conspiracy to Use Fire in Commission of a Felony, 18 U.S.C. § 844(m))

The Grand Jury further charges:

19. Paragraphs 1 through 7, 9 through 15, and 17 of this Indictment are realleged and incorporated by reference as if fully set forth herein.

20. From on or about April 1, 2013, through on or about March 20, 2019, in the Northern District of Ohio, Eastern Division, and elsewhere, Defendants LONNIE WHITE, LISA OGLETREE, Co-conspirator 1, Co-conspirator 2, , Co-conspirator 3, Co-conspirator 4, and other persons, both known and unknown to the Grand Jury, did knowingly and intentionally combine, conspire, confederate, and agree together and with each other to use fire to commit felonies prosecutable in a court of the United States, to wit: Conspiracy to Commit Mail and Wire Fraud, in violation of Title 18, United States Code, Section 1349; Mail Fraud, in violation of Title 18, United States Code, Section 1341; and Wire Fraud, in violation of Title 18, United States Code, Section 1343, in violation of Title 18, United States Code, Section 844(h)(1).

All in violation of Title 18, United States Code, Section 844(m).

A TRUE BILL.

Original document - Signatures on file with the Clerk of Courts, pursuant to the E-Government Act of 2002.